

Kessler, Ellen

From: Strength, Stephanie - Washington, DC [Stephanie.Strength@wdc.usda.gov]
Sent: Tuesday, July 14, 2009 8:42 AM
To: Lilley, Bliss
Cc: Collins, Carly
Subject: FW: Local media and concerns re CapX2020
Attachments: capx2020.media.7.1.09.Winona.Post.docx;
capx2020.media.7.1.09.Houston.county.news.cover.story.feds.involved.doc;
Petition.BACKGROUNDER.CETF.FINAL.doc

-----Original Message-----

From: ruthfood@charter.net [mailto:ruthfood@charter.net]
Sent: Friday, July 03, 2009 8:26 PM
To: Strength, Stephanie - Washington, DC
Subject: Local media and concerns re CapX2020

Attached are two recent media articles that point out information regarding why CapX2020 is not needed. The articles also express the outrage and concern that local residents have over the dangers of the project and the high costs that would be paid by rate payers and tax payers.

The BACKGROUND sheet is from Citizens Energy Task Force and explains the rational for the petition for reconsideration of the Certificate of Need in Minnesota.

Thanks for including in your review.

I-120-001

Your comment has been noted. The Draft Environmental Impact Statement will be available on the RUS website at:
<http://www.usda.gov/rus/water/ees/eis.htm>. Comments on the Draft Environmental Impact Statement will be solicited after its publication.



http://www.winonapost.com/stock/functions/VDG_Pub/detail.php?choice=31597&home_page=1&archives=

Area folks not happy about CapX2020 project (07/01/2009)

By Sarah Elmquist

A 700-mile powerline project that could cross the river in Winona and require eminent domain in order to be constructed won't really feed power into Winona, spokespeople for the project confirmed Monday.

Winona's been chosen, along with Alma and La Crosse, Wis., as one of three potential river crossing points for the project, dubbed CapX2020 -- a consortium of electric companies including Xcel Energy. Because there is already a river crossing for existing powerlines near the East End Boat Harbor, and because the U.S. Fish and Wildlife Service has opposed granting additional right-of-way to cross the river, the new towers must cross the river at an existing crossing.

Several citizen groups have opposed the project and appealed a Minnesota Public Utilities Commission (PUC) decision to grant a certificate of need for the \$2 billion project. Monday, business owners and residents who feared that the new lines may affect their properties asked questions about what the project might mean for them, some adding that the utilities group had never even contacted them.

If the Winona route is chosen, the new 345kV lines would cross Highway 43 north of I-90, then cross County Road 17 and run northeast of the Bridges golf club, then straight north. At the bluffs before Homer Road, the route would skirt a bluff to its west, cross Homer Road and Highway 61 and follow the river northwest along the edge of the city. It would narrowly pass several industrial businesses as it ran parallel to the Levee before crossing at the East End Boat Harbor, including Peerless Chain and Modern Transport.

Because buildings and tall trees cannot be located within a 150-foot right-of-way for the towers, some property owners feared that their homes or businesses might be affected, even need to be moved. On maps displayed by project representatives, it seemed unclear whether the route along the river would provide wide enough for the 150-foot easements, or, whether existing buildings would have to be moved or torn down for the project.

CapX2020 representatives said that the project hasn't begun finding very specific routes for the lines yet, and that they'd be working with property owners to find the best options that would affect properties the least. Valuations for lands taken for the utility easement, they said, would be determined by using an appraisal process in which compensation is based on the impact the easement has to a particular property.

Some who attended the meeting asked whether the existing 80-foot easement for the current powerline crossing the river in Winona would be enough for the new lines to go up. Grant Stevenson, project manager for Xcel Energy, said that there was a trade-off that could be made in areas where the right-of-way wasn't wide enough -- more frequent towers.

The towers will typically be 105-175 feet tall -- rivaling the Statue of Liberty, with about 750-1,100 feet between towers.

Some who attended the meeting worried about potential health effects of the transmission lines, while others doubted the need for the project altogether. "What's the advantage to me, personally?" asked one woman,

adding, “I don’t want to pay for it.”

The population in Winona County, they said, isn’t even really growing much.

CapX2020 representatives showed a map labeled “Benefit Area,” highlighting Winona, Rochester and La Crosse with a large brown blob. But they admitted the new lines aren’t really for Winona electric consumers. “There will be no direct electric connection to Winona,” said Stevenson.

Southeastern Minnesota is within a nine-county planning region, he told the crowd, in which there had been some population decline. But, he said, use has increased.

That argument contradicts opponents to the project, who have brought forth information from the Securities and Exchange Commission which shows that peak demand for energy has decreased by nearly 12 percent since 2006.

Questions about what percentage of wind energy the new lines might carry were not answered, although CapX2020 officials have claimed the project will be needed for the Minnesota renewable energy goal of 25 percent renewable by 2025.

But Stevenson admitted Monday that the project wasn’t all about wind. He said that it “doesn’t directly impact wind [energy development],” but that it “lays part of the foundation” needed to develop wind energy.

Where it goes

Opponents to the project have long claimed that the lines will really be used to carry coal-generated power to metropolises like Chicago and beyond.

Stevenson said that CapX2020 “wasn’t involved” with additional projects that would carry the lines eastward, but said that they will go east. He referenced a project being studied called The Green Power Express, which would add about 3,000 miles of “extra high voltage” 765kV lines stretching from North and South Dakota, through Minnesota to Iowa and Wisconsin, then on to Illinois and eastward.

Stevenson also said that if all goes as planned, the project will begin construction in 2011 and would “supply the region” until 2025, when a new transmission line would be needed.

Learn more

CapX2020 is currently being studied through a Federal Environmental Impact Statement needed to proceed with the project. The opportunity to provide comments about environmental and routing concerns is open until July 25 and can be directed to: Stephanie Strength, Environmental Protection Specialist, USDA, Rural Development, Utilities Programs, 1400 Independence Avenue, SW., Room 2244, Stop 1571, Washington, DC 20250–1571, or e-mail stephanie.strength@wdc.usda.gov.

Several citizens groups have also challenged the PUC’s certificate of need for the project, asking that the record be reopened to reflect data not studied previously that shows declining peak energy demands. Keep reading the Winona Post for the full story.

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Citizens Energy Task Force (www.cetf.us)

Counsel: Paula Maccabee 651-646-8890

CETF PETITION FOR RECONSIDERATION

On June 11, 2009 CETF filed a Petition for Reconsideration of the Minnesota Public Utilities Commission decision granting certificates of need for the CapX2020 Projects focused on the issues where the Commission's decision is most vulnerable on appeal. **CETF** argued:

- There was insufficient evidence in the record for the Commission to determine that the eastern endpoint of the Brookings Project should be at Hampton, Minnesota.
- The Commission's approval of the upsized double-circuit alternative to the CapX2020 Projects was unsupported by evidence of need and the Commission exceeded its authority in certifying this upsize in the absence of need.
- The Commission's certification of the La Crosse Project violated the Minnesota Environmental Policy Act, the Minnesota Environmental Rights Act, certificate of need law and rules pertaining to power line prohibition areas.
- The Commission erred by failing to shift the burden to project proponents to show the lack of feasible and prudent alternatives that would not impair the Upper Mississippi River National Wildlife Refuge and other protected natural resources.
- The Commission erred in certifying the La Crosse Project since there are feasible and prudent local generation and transmission upgrade alternatives to meet the needs for the La Crosse Project that do not impair the Upper Mississippi River National Wildlife Refuge and other protected natural resources.
- The Commission erred in failing to reopen the record to consider newly-discovered evidence of demand declines and reasonable forecasts below threshold levels relied upon for Applicants' claims of need.
- The Commission erred in certifying the La Crosse Project without considering conflicts with federal regulations and policies regarding fragmentation of national wildlife refuge habitat.

CETF asked the Commission to reconsider its decision and make the following determinations:

- The Commission's certification of the Brookings Project should be subject to a condition allowing flexibility in routing proceedings to determine the Twin Cities end point either at Lake Marion or Hampton based on evidence of costs and benefits of the alternatives.
- The Commission's certification of the Brookings or Fargo 345 kV lines should be modified so that it does not include the double-circuited upsized alternative.
- The Commission should void its certification of the La Crosse Project.

PETITION FOR RECONSIDERATION – OTHER CAPX2020 PARTIES

On June 11, other parties also sought reconsideration of the Commission's decision. **No CapX** asked that the entire record of need be reopened due to the significance of demand decline and due to the relationship between the CapX2020 Projects and other regional transmission projects that were not considered by the Commission.

Both the CapX2020 utilities and the Office of Energy Security requested that the record be reopened due to their opposition to the Wind Conditions on the Brookings line. The utilities proposed that the conditions be eliminated. The OES proposed that the requirement for wind generation on the Brookings line be weakened, so that no specific amount of wind would be prescribed and suggested a paper "compliance filing" to document whether the new capacity will be used for wind or non-renewable generation. Documents can be found on e-dockets, CN-06-115 at <https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showeDocketsSe arch&showEdocket=true>

The **CapX2020** utilities' main objection to the Wind Conditions on the Brookings line appears to be that the could accelerate the utilities Renewable Energy Standard milestones by several years (CapX Petition, p. 4) and that "Limiting outlet capacity to renewable generation means outlet could not be used for non-renewable generation." (CapX Petition, p., 6).

The utilities expressed the concern that coordinating the Brookings Project so that wind generation is needed by customers could result in a "delay in the Brookings Project to better align with customer needs." (CapX Petition, p. 9) The **CapX2020** utilities admitted that "neither Applicants nor other utilities need additional wind generation from this area in the 2012-2013 timeframe," (CapX Petition, p. 14).

Although the **CapX2020** utilities did not ask that the time frame for constructing the Brookings Project be extended or need reconsidered, this seems the logical result of their argument that the \$650 million line (which was proposed and marketed to provide 700 MW of renewable energy) is not needed for wind by 2013 by any of the utilities proposing it.

The **OES** proposal to weaken the Wind Conditions and provide a compliance filing on renewable and non-renewable resources is equally paradoxical. The OES attempts to justify weakening the Wind Conditions based on concerns about unrelated dockets. The OES suggests that the timing of "upsizing" the Brookings line by adding a second circuit may affect capacity (OES Petition, pp. 8-9), but the future need for "upsizing" was explicitly outside of the scope of the CapX proceedings.

The **OES** then suggests that "new facts" suggest that the Brookings Project capacity, like that of any other transmission is "a result of the performance of the transmission system, not an individual line" and that the Commission should take an "overall systems approach to transmission planning rather than a piecemeal transmission line-by-line project-by-project approach." (OES Petition., p. 9-10) Although framed as an argument to weaken the Wind Conditions, this argument by OES seems similar to the **NoCapX** argument that the record of need should be reopened to consider evidence pertaining to the entire proposed transmission system of which the CapX2020 Projects are a part.

The **OES** also suggest that the Wind Conditions would result in costs to ratepayers (unspecified) and that, if Xcel is required to comply with the Wind Conditions they will not proceed with the RIGO projects. No offer of proof was made of evidence to support these claims.

<http://www.houstonconews.com/articles/2009/07/01/news/00lead.txt>

COVER STORY:

Published - Wednesday, July 01, 2009

Feds make an entrance into CapX2020

By Ryan Stotts of the Houston County News

The U.S. Agricultural Department's Rural Utilities Service officially has begun looking into the proposed CapX2020 high-voltage line project.

The federal agency hosted a meeting June 23 at La Crescent's American Legion to collect public comment and explain the review process.

The service will do a single environmental impact statement for the project, said Stephanie Strength of the RUS, which will be the lead federal agency on the project.

Dairyland Power Cooperative had approached the RUS about financing its portion of the project, an estimated 11 percent, she said.

It will take at least two years to complete the federal review and make a funding decision, she said.

Dairyland first asked the agency about funding at least three years ago, said Chuck Thompson of Dairyland Power. It would take Dairyland 30 to 35 years to repay the approximately \$50 million needed.

The environmental impact statement, including comments from the meeting, likely will be completed by summer 2010, followed by a public hearing, Strength said.

Tim Carlsgaard, of CapX2020, said they have identified dual routes for the 345-kilovolt power lines along existing routes into La Crosse, Winona or Alma, Wis., but a preferred route has not been chosen.

Also yet to be determined is where the lines would cross the Mississippi River, he said.

Lines could run along or just north of Interstate 90, then cross south into La Crescent, he said.

If the lines go into Winona, he said, the route could run through agricultural land north of I-90. The Alma route would run through farmland north of Plainview.

A routing permit application will likely be filed some time in the fall, Carlsgaard said, and that will start a 12- to 15-month process when more public meetings will be held.

Early in the process, he said, after the Office of Energy Security has a chance to review the application, people will be able to propose and suggest alternative routes.

“Whether it’s just a small segment,” Carlsgaard said, “a small area, or 20 miles, or whatever it is.”

On the Wisconsin side, he said, a single routing and need permit will likely be filed before the end of the year.

Jeremy Chipps, of the Citizens Energy Task Force, said the massive project isn’t needed — and the group has petitioned the state to look into whether it should be built.

Chipps said even the most “sophisticated electric minds” in the industry, on a state and federal level, are doubting the efficacy of such a project.

He believes localized renewable energy should be investigated and analyzed, he said.

But, Chipps said, the truth is “the country lacks the very analytical tools to do the research to find out what our needs will even be.”

With federal coffers now being opened to fund the project, the decreasing demand for power, as well as safer alternatives than CapX2020, should be scrutinized, he said.

Gene Semin of La Crescent Township said he supports the project, even though he already has two large power lines in front of his house.

“We’re going to need the electrical power in this country to develop our manufacturing base so that our economy can recover,” Semin said.

<http://www.houstonconews.com/articles/2009/07/01/news/01capxchallenge.txt>

Published - Wednesday, July 01, 2009

[POST COMMENT](#) | [READ COMMENTS](#) (No comments posted.)

La Crescent group formalizes CapX2020 challenge

By Mark Sommerhauser for the Houston County News

A southeast Minnesota group wants state regulators to rethink a decision to let energy companies build high-voltage lines through the La Crescent area.

The Minnesota Public Utilities Commission in April granted a certificate of need for the CapX2020 proposal, a \$1.7 billion plan to build a network of 345-kilovolt power lines throughout the state, including a line from the Twin Cities to La Crosse, Wis.

But the La Crescent-based Citizens Energy Task Force petitioned the commission last week to reconsider, asking it to place new conditions on lines in western Minnesota and to fully retract its support for the La Crosse line. Energy companies say the new lines will bolster reliability and aid wind-energy development in Minnesota, but environmental groups say the lines aren’t needed and shouldn’t cross the Upper Mississippi Wildlife Refuge.

Regulators permitted CapX2020 based on projected increases in energy demand.

But energy usage actually declined nationwide in the first quarter of 2009, said Paula Maccabee, attorney for the Citizens Energy Task Force. Maccabee also noted the U.S. Fish and Wildlife Service wants the line to steer clear of the Upper Mississippi Wildlife Refuge, and has said it won't grant new right-of-way for new power lines through the refuge.

"If we can solve our energy problems without harming a wildlife refuge, we should use that alternative," Maccabee said.

CapX2020 spokesman Tim Carlsgaard said the new lines wouldn't need additional right-of-way through the refuge, and could follow existing rights-of-way. While electricity consumption has dipped in recent months, Carlsgaard said Xcel Energy June 23 was nearing a June single-day record for power consumption, as a Midwest heat wave caused consumers to crank up their air conditioners.

"We still believe we have a strong case" for the new lines, Carlsgaard said. "It would be irresponsible on our part to not look at the long range, and today is just a perfect example."

The Minnesota Public Utilities Commission plans to discuss the reconsideration petition at its regular meeting July 14 in St. Paul.